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State of Utah

DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director

JOHN R. BAZA
Division Director

Inspection Report

Minerals Regulatory Program

Date: August 11, 2008

Reviewed: *[Signature]*

Mine Name: Munchkin 1-2-3	Permit Number: S0010066
Operator Name: Earth's Partners LLC.	Inspection Date: 07-22-2008
Inspector(s): Tom Munson & Brett Gregory	Time: 5:00 pm
Other Participants: None	Mine Status: Active

Elements of Inspection	Evaluated	Comment	Enforcement
1. Permits, Revisions, Transfer, Bonds	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Public Safety (shafts, adits, trash, signs, highwalls)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Protection of Drainages / Erosion Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Deleterious Material	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Roads (maintenance, surfacing, dust control, safety)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Concurrent Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Backfilling/Grading (trenches, pits, roads, highwalls, shafts, drill holes)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Water Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Soils	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Re-vegetation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Air Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Bond Renewal Date: 01/06/2009
to the BLM and DOGM

Bond Amount: \$2,700 held as a LOC with BLM and assigned
Permit fee: up to date

Purpose of Inspection:

This was a first time inspection of the site.

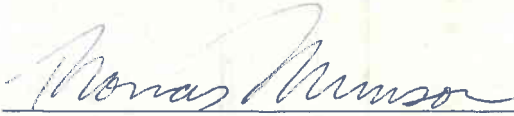
Inspection Summary:

The site has previous disturbance from unknown operators. No recent disturbance was evident based on the vegetation growing within the existing pits and trenches. Research of the permit showed 1.5 acres of disturbance, based on mining within three areas. The bond submitted as an LOC with the original permit through the BLM, was \$2,700 and is no longer adequate. A revised updated bond in the amount of \$10,200 will need to be submitted by the operator before commencing operations or the permit be revoked.

Conclusions and Recommendations:

The original reclamation surety amount has not been escalated since 2004 and based on a permit disturbance of 1.5 acres, the current surety amount would be \$10,200. Ed Ginouvous of the BLM concurs with this amount as evidenced by a recent letter from the BLM.

Inspector's Signature



TM:pb

cc: (OPERATOR)

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Visible growth, old pit.



Trench.



Another disturbance.



Trench.